

From: "Michael Conway" <mconway@Montecito.com>
To: <gilliee@slc.ca.gov>
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Subject: Lease 421

Mr. Gilliee

Pier 421 is the only remaining oil processing facility remaining in the surf zone in California. It suffered major damage in a storm a few years ago and this could happen again.

In the past, oil from 421 was processed on the pier and went directly into line 96 to the Ellwood Marine Facility to be transported by the barge Jovalon. If it were to go to the Ellwood Onshore facility (EOF) for processing, this would be new production going to the EOF, contrary to its recreation zoning. The EOF is a non conforming use under this zoning and expansion of the existing operation, except for safety purposes, is prohibited.

State Lands Commission (SLC) has still to rule on the continuation of barging from the Ellwood Marine Terminal. If it rules that barging must be replaced by a pipe line or trucking, then a decision on recommissioning of 421 should wait for this determination and in addition the SLC ruling on Venoco's proposal for slant drilling from Platform Holly. Part of this proposal is for a pipe line to be built to Los Flores Canyon.

Thank you,

Michael Conway
Montecito Bank & Trust
Trust Administrative Assistant II
Phone (805) 564-7304
Fax (805) 969-9754
mconway@montecito.com

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